



The County Vehicle Replacement Performance Audit evaluates the county's management of its vehicle replacement programs. The audit examines whether the county uses lifecycle cost analysis to determine the most cost-effective replacement schedule for county vehicles and whether the county manages its cost recovery process to ensure viability of the vehicle replacement program. The audit also assesses whether the county manages its fleet to ensure the most efficient utilization of vehicles.

We found that the majority of the county's vehicles are covered by well-developed vehicle replacement criteria. However, the county is not currently monitoring and reporting its adherence to these criteria. We also found that while the methodology used to develop vehicle rental rates is consistent with best practices, it is not transparent to the agencies using motor pool vehicles. Finally, we found that most county vehicles are underutilized, and therefore not being used cost-effectively. The audit recommends ways to improve lifecycle cost analysis, strengthen cost recovery accounting, and provide for more cost effective utilization of county vehicles.

Vehicle Replacement

We found that of the four county agencies that administer fleets, only Fleet Administration uses a lifecycle cost model to establish replacement criteria. Fleet Administration's model incorporates all of the elements we recommend for lifecycle cost models, and it produces the results we would have expected. None of the four agencies with fleet management responsibilities routinely use performance measures to monitor their adherence to vehicle replacement policies and report the cost-effectiveness of their vehicle replacement programs.

Funding Vehicle Replacement

Fleet Administration's methodology for charging customers is equitable and consistent with several best practices for management of fleet vehicles. However, Fleet Administration's methodology for calculating chargeback rates is not transparent and is difficult for customers to understand. In addition, Fleet Administration does not appear to review whether the its rates are adequate to maintain an appropriate Motor Pool Fund balance.

Vehicle Utilization

While Fleet Administration publishes a target for vehicle usage per year, there is no executive policy for vehicle utilization. Using Fleet Administration's target, many county vehicles are underutilized. Two county agencies reimburse employees for using their personal vehicles for traveling on county business. In comparing these programs to the use of county Fleet Administration vehicles, we found that their cost-effectiveness is largely dependent on utilization. The program used by the Assessor's Office is costly because participants drive their personal vehicles for business use a relatively small amount.

Recommendations

The report recommends that Fleet Administration:

- Make its chargeback rate model more transparent and accessible to user agencies.
- Ensure that rates fully recover costs and maintain the Motor Pool Fund balance within the range mandated by executive policy.

In addition, the report recommends that the county:

- Establish performance measures and targets to monitor adherence to vehicle replacement policies and to communicate the effectiveness of their fleet replacement programs.
- Establish a vehicle utilization policy and appoint a committee of user agencies to establish criteria for exceptions to the policy and to monitor individual agencies' compliance with the policy.
- Discontinue using the Assessor's Office employee vehicle reimbursement program and identify a less costly alternative for providing for employee business travel needs.

The report offers additional recommendations to improve accountability and compliance with county policy.

Executive Response

The executive concurred with the recommendations directed to executive agencies.

Assessor's Office Response

The assessor did not concur with our recommendation directed to his office. He believes that the issue should be studied further. We responded that the evidence is compelling that the Assessor's Office current program is not cost-effective and should be replaced.